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The President's Daily Brief

May 15, 1976

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~~*Top Secret*~~ 25X1

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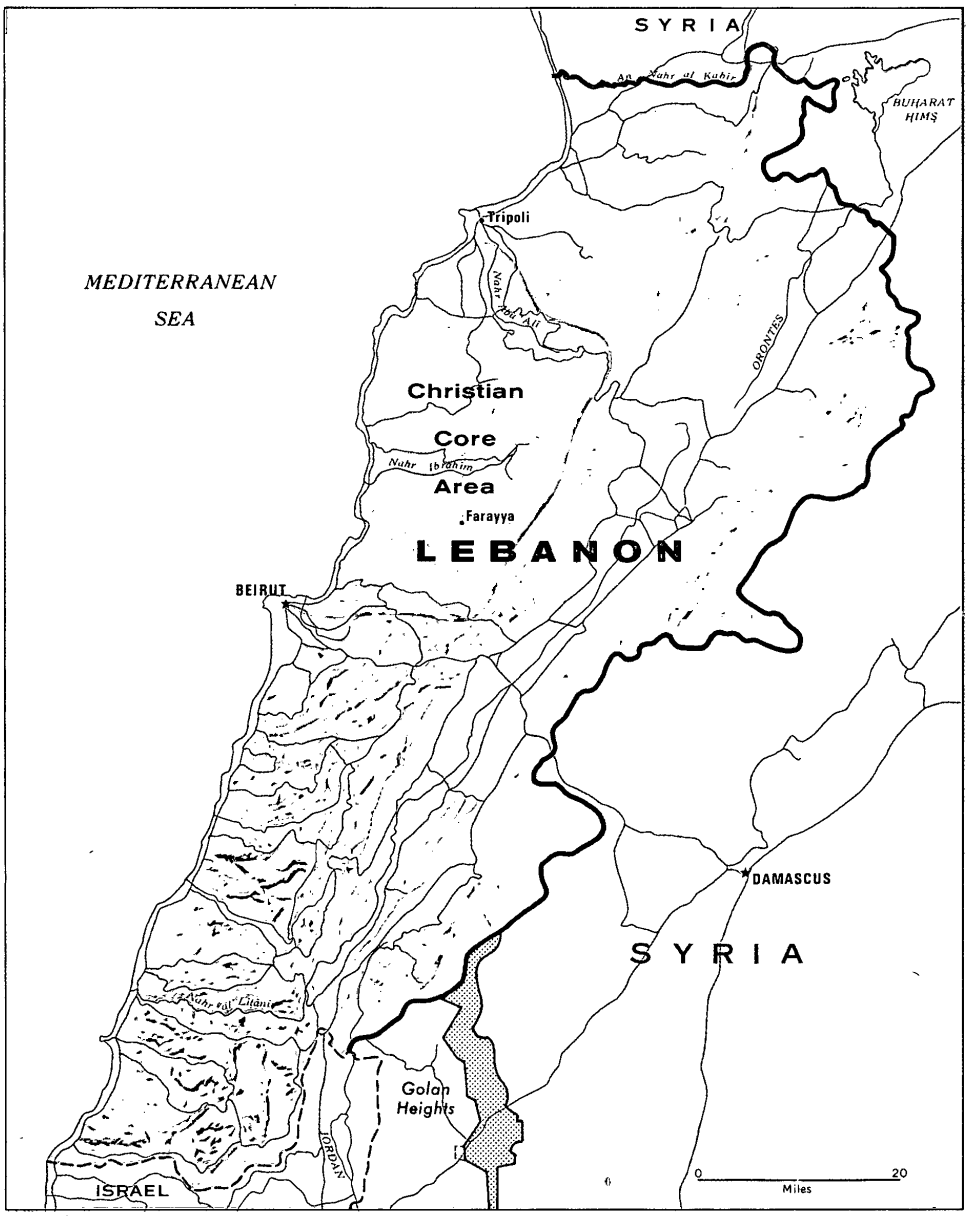

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LEBANON: *Prime Minister Karami yesterday called for still another cease-fire. The latest accord, negotiated by the Lebanese-Syrian-Palestinian "higher military committee," began to go into effect late last night.*

The cease-fire appears to have begun to take hold in the Tripoli area, where the contending factions reportedly have agreed to withdraw from the city and form a joint force to patrol the truce.

If the new cease-fire fails to hold, Syria probably will push ahead with its effort to destroy the military capability of the Lebanese leftist and Palestinian extremist groups. 25X1 25X1

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the first time claimed to have pushed from Muslim-controlled eastern Lebanon to a point where they command the heights overlooking the town of Farayya. This would be the leftists' deepest penetration into the Christian core area of the country.

* * *

USSR-SYRIA-LEBANON:
Moscow has become increasingly unhappy with Syria's policy in Lebanon.

An important Soviet Foreign Ministry official earlier this week said that although the USSR supported Syrian mediation "in principle," Moscow did not approve the manner in which it has been conducted. He said that Syrian initiatives should have been neutral, and indicated that Moscow was clearly uncomfortable with Syrian advocacy of the candidacy of president-elect Sarkis.

Soviet misgivings about Syrian policy stem in part from the dilemma Moscow now faces in Lebanon--having to walk a tightrope between the Syrian-backed Sarkis and Soviet allies among the Lebanese leftists and the Palestine Liberation Organization. It also reflect Soviet concern that Washington's satisfaction with Damascus' policy in Lebanon may portend further US-Syrian exchanges on a Middle East settlement.

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USSR: *Last year's harvest failure is increasingly affecting food supplies, but we anticipate an easing by early summer. Citizens are grumbling, but the only report of civil unrest concerns a work slowdown by stevedores in the Baltic seaport of Riga--through which food supplies continue to be exported--to protest food shortages.*

In rural areas severe shortages of meat and sausage, butter, milk, sugar, eggs, rice, flour, and noodles are being noted in state retail outlets with increasing frequency. Staple vegetables--potatoes, cabbage, and onions--are available only in collective farm markets at unusually high prices. Bread supplies appear to be generally adequate, although there are a growing number of reports that bread is of poor quality.

Urban residents are also becoming more aware of shortages. Embassy officers have noted meat shortages in a few cities but have generally found that supplies of most foods, including bread, are "basically adequate." Moscow shoppers were irate that no special efforts were made to stock stores for May Day.

Shortages of vegetables and dairy products should ease as the new crop becomes available in July or August. Production of meat, however, will continue at reduced levels for the balance of the year. Moscow could double last year's imports of 500,000 tons of meat to augment domestic supplies, but so far--other than unknown amounts of meat purchased from East Europe--the Soviets have contracted for only small quantities of mutton and beef from New Zealand.

* * *

SYRIA: *Damascus is experiencing a severe foreign exchange squeeze that is imposing some foreign policy constraints.*

A temporary suspension of subsidy payments by Saudi Arabia, Kuwait, and other Arab donors, the recent cut-off of oil pipeline transit payments by Iraq, and increasing

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costs of Syrian involvement in Lebanon have contributed to the present difficulty. The Saudis and Kuwaitis, by withholding aid payments, are pressing Damascus to bury the hatchet with Cairo.

The Soviets may try to exploit the situation by offering economic assistance in return for greater use of Syria's ports for their Mediterranean Fleet. The US embassy in Damascus believes that the Syrians would never agree to allow the Soviets to establish a naval base there.

The Syrians might agree, however, to allow the Soviets to use facilities at Latakia for storing spare parts and naval munitions, particularly if the Soviets offer to stretch out payment terms on past Soviet-Syrian arms deals.

* * *

JORDAN-UK: *King Husayn remains cool to the British offer to sell Jordan the Rapier surface-to-air missile system as an alternative to the US Hawk and to a Soviet missile system.*

Husayn told [redacted] it is too late for Jordan to consider any but the Soviet alternative to the Hawk. The King believes that only the Soviet Union and the US are able to provide Jordan with what it wants--"a complete system and neccessary back-up." A Soviet air force delegation is scheduled to arrive in Amman on Monday to discuss a possible deal for the Soviet system. 25X1

In spite of King Husayn's negative remarks, Jordan apparently has not completely ruled out the possibility of buying the Rapier system. Husayn has agreed to a meeting between his military representatives and a team of British experts today.

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NOTES

An authoritative Soviet *article on Thursday lashed out at the "unbridled" anti-Cuban campaign that it said was being waged by certain* US *officials and elements of the US news media.*

The article, in Pravda, may be a concession to Havana following Cuban Defense Minister Raul Castro's recent visit to the USSR. The Soviets reportedly turned down Castro's request for more sophisticated weapons, but they may have agreed to step up their propaganda attacks against US policy toward Cuba.

* * *

India *and* Pakistan *announced yesterday that they have agreed to resume diplomatic relations, severed during their 1971 war.*

Agreement was also reached to restore civil air links, overflights, and rail communications. The new agreements are part of a general lowering of South Asian tensions in recent weeks, including a decision by China and India to resume ambassadorial-level relations and a commitment by Pakistan and Afghanistan to hold a summit conference soon. The exception is Bangladesh's problems with India, particularly over distribution of water from the Ganges River.

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The Polish Foreign Ministry has warned the US embassy in Warsaw that a group of extreme leftists or anarchists may be preparing unspecified actions against US diplomatic missions in Eastern Europe later this month.

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The Poles have obtained information about a group [redacted] that allegedly wants to create an incident sometime around May 20 to dramatize its view that the USSR and the East Europeans are "betraying the revolution" by maintaining close relations with the United States. 25X1

A Foreign Ministry official said increased security measures, including a doubled guard at the US embassy, would be put into effect through the end of May. He did not say whether Warsaw had passed this information to other East European capitals.

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